

ANNUAL REPORT

For the Year Ended December 31st, 1966

Kirkland Minerals

C o r p o r a t i o n L i m i t e d

Head Office: • 9th Floor 360 Bay Street • Toronto 1, Ontario

Kirkland Minerals Corporation Limited

OFFICERS

EARL A. GLICK President
NORMAN GLICK Vice-President
ROBERT BROWN Secretary-Treasurer
MIRIAM KERSHEN Assistant Secretary-Treasurer

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DIRECTORS

WILLIAM COLDOFF Toronto, Ont.
DAVID GLICK Toronto, Ont.
EARL A. GLICK Toronto, Ont.
ROBERT BROWN Toronto, Ont.
NORMAN GLICK Toronto, Ont.

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AUDITORS

Halladay, Robinson & Company
Toronto, Ont.

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TRANSFER AGENT AND REGISTRAR

Crown Trust Company
Toronto, Ont.

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EXECUTIVE OFFICE

9th Floor, 360 Bay Street
Toronto 1, Ont.

Kirkland Minerals Corporation Limited

Ninth Floor, 360 Bay Street
TORONTO 1, ONTARIO

Directors' Report

To the Shareholders,
KIRKLAND MINERALS CORPORATION LTD.

Presented herewith is the Consolidated Financial Statement of your Company, for the year ended December 31, 1966, together with the Auditors' Report thereon dated March 27, 1967.

Beauvale Mines Limited, a wholly-owned subsidiary, has made an agreement with Falconbridge Nickel Mines Limited, to explore and, if found feasible, to develop its nickel property in Sothman Township. A report from Falconbridge Nickel Mines Ltd., dated March 30, 1967, says in part that "a detailed ground geophysical survey has been completed on the main ultrabasic zone, and diamond drilling has been started at the west end, in the vicinity of known mineralization, and will continue through break up, and into the early part of summer." At the completion of the current drill program a comprehensive report setting forth detailed results will be available.

The status of Berkeley Mines Limited, remains the same, with an optimistic outlook that the right Corporation will eventually submit a worthy proposition to place its Norstar Property into production.

Company management will continue its efforts in the field of natural resources development.

Submitted on behalf of the Board of Directors,

EARL A. GLICK,

President.

Kirkland Minerals

(Incorporated under the laws of the Province of Ontario)

Consolidated

AS AT 31 DECEMBER

Assets

CURRENT

Cash in banks	\$	2,200.35	
Accounts receivable		357.56	\$ 2,557.91
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INVESTMENTS

Berkeley Mines Limited Shares, at cost (See Note 1)	\$	336,969.67	
Advances		552.66	
Marketable securities, at cost (Quoted market value \$164,132.50)		146,550.00	
Other securities at nominal values		9.00	484,081.33
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OTHER

Mining claim interests at book values (See Note 2)	\$	260,126.00	
Deferred expenditures of subsidiaries		212,506.94	472,632.94
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			\$959,272.18
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Auditor

TO: The Shareholders of
KIRKLAND MINERALS CORPORATION LIMITED.

We have examined the attached Consolidated Balance Sheet of Beauvale Mines Limited and Kiro Explorations Limited, as at 31 December 1966, and Source and Application of Funds for the year ended on that date, and have performed such procedures and such tests of accounting records and other supporting documents as we considered necessary.

The expenditures of subsidiary companies, who are in the same line of business as the parent company, are included in the consolidated statements, as they have no profit or loss, while expenditures of the parent company are included in the consolidated statements.

In our opinion the attached Consolidated Balance Sheet, Consolidated Statements of Deficit and Source and Application of Funds of the companies at 31 December, 1966 and the results of their combined operations for the year ended on that date, are presented fairly in all material aspects with generally accepted accounting principles applied on a basis of consistency.

Toronto, Ontario,
27 March, 1967.

Corporation Limited

(the Province of Ontario)

Balance Sheet

NUMBER, 1966

Liabilities

CURRENT

Accounts payable	\$ 7,052.02	
Unclaimed dividends	10,158.52	\$ 17,210.54

Minority interest in subsidiary		6,945.00
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CAPITAL (See Note 3)

Authorized — 5,000,000 shares of \$1.00 par value.

ISSUED AND FULLY PAID — 4,015,005 shares ..	\$ 4,015,005.00	
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DEFICIT — per statement attached	3,094,473.36	
	<u>920,531.64</u>	

SURPLUS — attributable to the excess of the book value of subsidiary shares over the cost thereof	14,585.00	935,116.64
	<u>14,585.00</u>	<u>935,116.64</u>
		<u>\$959,272.18</u>

Approved on behalf of the Board of Directors:

“ROBERT BROWN”, Director.

“NORMAN GLICK”, Director.

Report

of Kirkland Minerals Corporation Limited and its subsidiaries,
number, 1966 and the related Consolidated Statements of Deficit
Statement. Our examination included a general review of accounting
evidence as we considered necessary in the circumstances.

operatory stage, have been deferred to future periods, consequently
have been written off to current operations.

in read in conjunction with our notes thereto, and the related
Statement presents fairly the consolidated financial position of the com-
pany and transactions for the year ended on that date, in accordance
Statement with that of the preceding year.

HALLADAY, ROBINSON & COMPANY,
Chartered Accountants.

Kirkland Minerals Corporation Limited

CONSOLIDATED STATEMENT OF DEFICIT FOR THE YEAR ENDED 31 DECEMBER, 1966

EXPLORATIVE EXPENDITURES

New Brunswick		
Line cutting	\$1,000.00	
Geophysical survey	1,416.00	
Engineering	2,446.42	
Diamond drilling	3,257.45	
Travel expense	1,159.05	
Field expense	1,708.02	\$ 10,986.94
Other		
Acreage taxes, etc.	338.71	\$ 11,325.65

ADMINISTRATIVE EXPENDITURES

Secretarial and office services	\$ 4,900.00	
Shareholders' information and meeting	2,889.26	
Share transfer agent	3,590.49	
Legal and audit fees	1,296.25	
Directors' fees	475.00	
Sundry expenses	509.20	
	13,660.20	
Less: Interest earned	1,140.64	12,519.56
Balance of deficit at 1 January, 1966		3,070,628.15
Balance of deficit at 31 December, 1966		\$ 3,094,473.36

CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS FOR THE YEAR ENDED 31 DECEMBER, 1966

WORKING CAPITAL AT 1 JANUARY, 1966

Current assets	\$ 29,801.72	
Less: Current liabilities	16,645.88	\$ 13,155.84

SOURCE OF FUNDS

Nil

APPLICATION OF FUNDS

Purchase of mining property	\$ 500.00	
Mining property option payment	2,000.00	
Explorative expenditures	11,325.65	
Administrative expenditures	12,519.56	
Deferred expenditures of subsidiaries		
Corporation fees	\$ 70.00	
Property taxes	779.13	
Legal fees	614.13	1,463.26
		27,808.47

WORKING CAPITAL DEFICIENCY AT 31 DECEMBER, 1966

Current liabilities	\$ 17,210.54	
Less: Current assets	2,557.91	\$ 14,652.63

Kirkland Minerals Corporation Limited

(Incorporated under the laws of the Province of Ontario)

NOTES TO THE CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER, 1966

1. By agreement of June, 1963, contingent upon certain conditions, the company agreed to underwrite 100,000 shares of Berkeley Mines Limited at a price of 30¢ per share, or in the alternative to find some other acceptable underwriter for the said shares.
2. Pursuant to a property option agreement, the company may issue 50,000 shares on or before 8 July, 1967, if it wishes to fully exercise its option to purchase the property. The company has indicated it will not exercise its option.
3. The mining property of Beauvale Mines Limited is subject to an exploration option agreement until 22 March, 1968, which, if exercised, will result in Beauvale Mines Limited receiving 500,000 shares of a company to be formed to hold the said mining property.

